

Flexi-Job Apprenticeships

Reshaping the role of Apprenticeship Training Agencies

Contents

1	Overview		
	1.1	Background	.3
	1.2	Making apprenticeships more flexible	.3
	1.3	Why are we consulting?	.4
	1.4	Who are we consulting?	.4
	1.5	Issue date	.4
	1.6	Structure of the consultation	.4
	1.7	How to respond	.4
	1.8	Confidentiality of your responses	.5
	1.9	Deadline	.5
	1.10	Our response	.5
	1.11	Enquiries	.5
2	Our	vision for flexi-job apprenticeships	.6
	2.1	Portable apprenticeships	.6
	2.2	Flexi-job apprenticeships	.6
	2.2	.1 Models of flexi-job apprenticeship schemes	.7
	2.3	Vision	.7
	2.3	.1 Meeting the needs of employers	.8
	2.3	2 Providing a high-quality experience for apprentices	.8
	2.3	.3 Achieving financial sustainability	.9
	2.4	Questions1	10
3	Ope	erating framework for flexi-job apprenticeship schemes	11
	3.1	Background1	11
	3.2	Our vision for an operating framework1	11
	3.3	Questions1	12
4	£7n	n fund for flexi-job apprenticeship schemes1	13
	4.1	Questions1	13

1 Overview

1.1 Background

Since 2015 we have transformed apprenticeships into a prestigious technical education programme that is launching people's careers, upskilling and retraining workers, and helping employers develop the skills they need to thrive.

We have created an employer-led system, with employers developing more than 600 new apprenticeship standards and choosing the training providers they use. We have improved quality by making all apprenticeships a minimum of 12 months, with at least 20% of an apprentice's time spent in off-the-job training, and with new independent end-point assessment proving occupational competence. And we have increased investment in apprenticeships, with the apprenticeship levy enabling the government to make £2.5bn a year available to invest in apprenticeships for all employers, large and small.

As the economy recovers from the impact of coronavirus (Covid-19), apprenticeships are more important than ever. The value of apprenticeships in creating jobs and driving economic recovery is at the heart of the government's Plan for Growth – that is why we are offering employers £3,000 for every new apprentice they recruit from 1 April to 30 September 2021.

1.2 Making apprenticeships more flexible

Having raised the quality and prestige of apprenticeships, we now want to ensure that employers in all sectors can make full use of apprenticeships and enjoy the benefits they bring to individuals and businesses.

In September 2020 the Prime Minister set out his ambition to make apprenticeships more portable, reflecting the varied and flexible models of employment that we see in dynamic sectors such as the creative industries. At the Spending Review 2020 the Chancellor made £2.5 billion of funding available for apprenticeships as well as improvements to the apprenticeships system for employers. And in the *Skills for Jobs: Lifelong Learning for Opportunity and Growth* white paper the government set out proposals for further improvements to apprenticeships, including developing more flexible models of apprenticeship delivery:

- making training more flexible by enabling employers to 'front-load' training. This will embed key skills early on so that apprentices can hit the ground running from day one in the workplace;
- enabling apprentices with relevant skills and experience to do accelerated apprenticeships and complete their training more quickly; and
- developing portable apprenticeships, putting apprentices in the driving seat and enabling them to move between employers and step on and off their apprenticeship in industries or professions where short-term contracts are the norm.

To support our ambitions for portable apprenticeships, at Budget on 3 March 2021 the Chancellor announced that we will launch a £7 million fund in July 2021 to create new flexi-job apprenticeship schemes and expand the best existing models. Building on the Apprenticeship Training Agency model, employers will be able to come together and access funding to create new or expand existing schemes to boost the use of apprenticeships in sectors with non-traditional employment patterns. In this way these

schemes will help to overcome some of the structural challenges limiting employers in certain sectors or professions making greater use of apprenticeships.

1.3 Why are we consulting?

This consultation seeks views on our vision for flexi-job apprenticeships as a means to overcome the barriers that have hindered the use of apprenticeships in certain sectors and professions. Prior to launching the £7m fund in July 2021, we want to explore the different way such models could operate. Importantly, we want to consult on how these models can provide a high-quality experience for the apprentices they employ, as well as for the host businesses they work with. We also want to seek views on how flexi-job apprenticeship schemes can achieve our ambition for long-term financial sustainability, and identify the improvements needed to the previous Apprenticeship Training Agency model. In doing so we want to learn from the experience of existing Apprenticeship Training Agencies and understand how they could help to meet our vision for flexi-job apprenticeships.

1.4 Who are we consulting?

This is a public consultation and open to anyone to respond. In particular, we are keen to hear from employers (especially those in sectors with varied employment models such as creative, construction, digital and manufacturing), existing Apprenticeship Training Agencies, sector bodies and representative organisations, and apprenticeship training providers.

We are carrying out the consultation in accordance with the <u>Cabinet Office consultation</u> <u>principles</u>.

1.5 Issue date

This consultation was issued on 20 April 2021.

1.6 Structure of the consultation

This consultation document is split into a number of sections:

Section 2: Our vision for flexi-job apprenticeships

You should use this section to provide feedback on our vision for flexi-job apprenticeship schemes, including how they can meet employers' needs, provide a high quality experience for apprentices and achieve financial sustainability.

Section 3: Operating framework for flexi-job apprenticeship schemes

You should use this section to provide feedback on our proposed operating framework for flexi-job apprenticeship schemes.

Section 4: £7m fund to boost flexi-job apprenticeships

You should use this section to provide feedback on how we propose to use the £7m fund for flexi-job apprenticeships.

1.7 How to respond

Please use the online system (Citizen Space) wherever possible, [a link to which can be found on the consultation page.]

If you are unable to use the online system, for example because you use specialist accessibility software that is not compatible with the system, please email <u>fundingrules.comments@education.gov.uk</u> and we will provide you with a word document and details of how to return your response.

1.8 Confidentiality of your responses

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure under the Freedom of Information Act 2000, the Data Protection Act 2018 or the Environmental Information Regulations 2004. If you want all, or any part, of a response to be treated as confidential, please explain why you consider it to be confidential.

If a request for disclosure of the information you have provided is received, your explanation about why you consider it confidential will be taken into account, but no assurance can be given that confidentiality can be maintained. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department for Education will process your personal data (name and address and any other identifying material) in accordance with the Data Protection Act 2018 and your personal information will only be used for the purposes of this consultation. Your information will not be shared with third parties unless the law allows it. You can read more about what the DfE does when we ask for and hold your personal information in our personal information charter.

1.9 Deadline

All feedback is to be received by 23:59 on 1 June 2021.

1.10 Our response

We will analyse all responses received by the deadline. Responses will inform the plans we will publish in July 2021 for flexi-job apprenticeships and for the operation of the £7m fund announced at Budget.

1.11 Enquiries

If you have an enquiry that relates to the policy content of this document, please contact the relevant Education and Skills Funding Agency team at <u>fundingrules.comments@education.gov.uk</u>.

If your enquiry is related to the DfE e-consultation website (Citizen Space), you can contact the DfE Ministerial and Public Communications Division by email: <u>consultations.coordinator@education.gov.uk</u> or by telephone: 0370 0002288.

2 Our vision for flexi-job apprenticeships

2.1 Portable apprenticeships

In sectors such as the creative industries, construction and digital, it is common for workers to operate on project-based, short-term contracts. People may work on a project for several months and then, once the work is complete, their contract will end and they will move to another project with a different employer.

Such patterns of employment have previously limited the ability of these sectors to embrace apprenticeships as a means to develop the skills of their workforce. As apprenticeships are a minimum of 12 months and require the apprentice to be in continuous employment throughout, taking on and supporting an apprentice for the duration of their apprenticeship is not something some employers in these sectors have felt able to commit to.

To overcome these barriers, we are developing portable apprenticeships which recognise that an apprentice in the digital, creative or agricultural sector – for example – will likely work for a number of employers while completing their training. Portable apprenticeships will also recognise that apprentices may need to take breaks throughout their apprenticeship as one project ends and there is a delay before their next one begins.

We want to make apprenticeships portable by:

- enabling employers to recruit apprentices even though they cannot employ the apprentice for the whole duration of their programme;
- making it easier for apprentices and employers to see the progress that an
 apprentice has made through their training and the skills and experience they would
 bring to their next project; and
- enabling apprentices to pause and then resume their apprenticeship between projects, and for funding to stop and start as required despite changes in employer.

We recognise that portable apprenticeships are likely to be of greater benefit to employers in certain sectors of the economy than to others. Therefore, during 2021-22 we are continuing to work closely with employers in the creative industries and construction sectors to help us design and test portable apprenticeships.

2.2 Flexi-job apprenticeships

Portable apprenticeships will help apprentices and employers to work with the grain of established employment models (such as short-term project-based roles) and make apprenticeships a viable choice for individuals and employers despite the disruptions this can entail. But some employers have already developed models of flexi-job apprenticeships which can help to overcome these challenges.

Known as Apprenticeship Training Agencies (ATAs), these bodies provide continuous employment to apprentices while loaning them out at a charge to other employers. This enables the apprentice to develop their knowledge, skills and behaviours in a variety of workplaces, and for employers it removes the barrier of making a long-term commitment to employ an apprentice.

The distinctive feature of the ATA model is that the ATA is the apprentice's employer and

therefore retains responsibility for managing their apprenticeship, even while the apprentice undertakes placements with other businesses. This means that alongside the apprentice's off-the-job training delivered by a training provider of the ATA's choosing, the apprentice undertakes on-the-job training in one or more business's workplace. (Despite their name, ATAs are not training providers – training will be delivered by a provider entirely separate from the ATA.)

2.2.1 Models of flexi-job apprenticeship schemes

The best ATAs are very clearly employer-focused and play a vital role in enabling employers in certain sectors, professions or geographies to access apprenticeships where otherwise they would not. These principles are entirely in keeping with the employer-led apprenticeships system that our reforms have established.

A number of successful and high-quality ATAs already exist:

- **CogentSkills** is a sector-owned charity and their ATA provides a flexible approach to the recruitment and employment of apprentices for companies across the science industries. Over the last 10 years Cogent's ATA has supported some of the world's leading companies such as Pfizer and AstraZeneca and provided employment opportunities to over 2,000 apprentices, of which over 90% have secured a permanent role following their placement. They have also supported employers in their sector to develop their own in-house apprenticeship programmes and employ apprentices directly.
- The Shared Apprenticeship Service is a network of regionally-based not-for-profit ATAs and Shared Apprenticeship Schemes supporting the construction and built environment sector. Each of the organisations works across a specific geographical area to ensure a localised and responsive service and, as a partnership, covers all of England. It helps to address the skills shortage within the construction sector by linking together construction projects across a region to create high quality, sustainable apprenticeships and keep young people working locally. The Shared Apprenticeship Service has worked with over 550 contractors and employed almost 1500 apprentices, and it reports a 79% achievement rate for its apprentices, with 95% progressing into employment.

In addition, we are seeing an ambition to establish new such models to support the creative industries. ScreenSkills, in partnership with Netflix and Warner Bros., is finalising the recruitment of a cohort of 20 apprentices to undertake flexi-job apprenticeships in the film and TV sector this autumn, and the BBC has committed to develop its own model to support the growth of apprenticeships in the creative sector in the West Midlands. In promoting flexi-job apprenticeship schemes, we want to enable them to develop and operate in ways that best meet the needs of the apprentices and employers in the sectors they are serving.

2.3 Vision

Our ambition, building on the examples of the best ATAs, is to develop flexi-job apprenticeship schemes that overcome the structural challenges in certain sectors or professions to greater use of apprenticeships. We want these schemes to respond to the evidenced demand of the employers they serve, provide a high quality experience for apprentices which leads to excellent longer-term employment outcomes, and in so doing achieve financially sustainable operating models.

2.3.1 Meeting the needs of employers

We want flexi-job apprenticeship schemes to build upon the great work done by ATAs who have embedded themselves in certain sectors, professions or geographies to meet a specific employer need. These schemes will have the greatest impact where they provide a solution to the structural challenges faced by certain sectors, professions or geographies in accessing apprenticeships.

We expect flexi-job apprenticeship schemes to have a strong presence in and knowledge of their sector, profession or locality; to meet a clearly defined need for skills from employers; and to have ambitious and credible plans for achieving increases in the number of apprenticeships. Evidence of clear and sustained demand from employers, and for such a scheme to be critical in meeting this demand because of structural challenges in the sector or profession, must be at the heart of all flexi-job apprenticeship schemes. They should also have strong and established relationships with a range of high quality training and assessment organisations.

We want these schemes to act as valued and trusted advisors to businesses, removing barriers caused by lack of understanding or capacity, and taking on responsibility for recruiting apprentices, administering the placement of apprentices with appropriate businesses, and providing ongoing monitoring and support to the apprentice and the host business. In many cases we envisage flexi-job apprenticeship schemes playing a key role in enabling small and medium sized enterprises in certain sectors to access apprenticeships. Flexi-job apprenticeship schemes should also have strong links with a range of training providers and end-point assessment organisations across the apprenticeship standards they offer.

We hope that flexi-job apprenticeship schemes will aspire to play a larger role than simply the hiring and placing of apprentices with a host business. Our ambition is that flexi-job apprenticeship schemes might also:

- act as leaders and conveners within their sector, profession or geography to address strategic skills challenges and drive the use of apprenticeships;
- seek to increase the diversity of people undertaking apprenticeships in the industries and regions they serve;
- develop and oversee schemes to facilitate the greater transfer of levy funds to support apprenticeships managed by the scheme or in other related employers;
- identify demand for apprenticeship training provision and work with providers to develop capacity to meet this demand; and
- Work with employers to identify new apprenticeships standards that may be required to meet emerging and future skills needs in a sector.

2.3.2 Providing a high-quality experience for apprentices

Apprentices are at the heart of our vision for flexi-job apprenticeship schemes. These schemes represent an investment by employers in the future workforce of their sector, and so a passion for supporting apprentices to succeed and build careers in their chosen sector or profession must be the motivation for all that they do.

Flexi-job apprenticeship schemes must ensure that apprentices receive an excellent experience of both on and off-the-job training, and are supported to achieve their

apprenticeship and to progress into rewarding and sustainable long-term employment or training. As apprentices move between placements with host businesses, the flexi-job apprenticeship scheme, as the apprentice's employer, must provide constant support, ensuring that the movement between placements does not disrupt learning or the development of knowledge, skills and behaviours. In supporting this journey to occupational competence, pastoral support must be woven into the fabric of how the scheme operates.

We will expect flexi-job apprenticeship schemes to have clear strategies for ensuring the quality of the apprenticeship experience for apprentices. These must be directly linked to the apprenticeship standards that a scheme is offering to its apprentices, ensuring that the sequencing and duration of apprentices' placements with host businesses directly complements off-the-job training throughout the life of an apprenticeship. Placements with host businesses must deliver substantial on-the-job training and support, and provide the opportunity for apprentices to apply and evidence the knowledge, skills and behaviours they develop in order to pass their end-point assessment at the planned time. Flexi-job apprenticeship schemes must develop criteria and safeguards for selecting the host businesses and training and assessment organisations they work with, and the support they provide to the employer and apprentice during placements.

2.3.3 Achieving financial sustainability

Flexi-job apprenticeship schemes will employ and pay the wages of the apprentices they recruit. As the apprentice will be in employment and in receipt of a wage whether they are on placement with a host business or are between placements, flexi-job apprenticeship schemes will need to establish commercial models that ensure their operating costs are met and that they can provide a quality service to apprentices and employers (see section 3 below). Schemes must also have commercial and operating independence from the training and assessment providers they use.

We have seen good examples of organisations who have done just that. Some existing ATAs who operate in this way have achieved financial sustainability by establishing the right fee structure with host businesses, attaining economies of scale through the volume of apprentices they employ, and in some cases generating other income streams by providing additional services to employers.

Our ambition is that flexi-job apprenticeship schemes achieve financial sustainability, and our £7m fund is intended to overcome some of the initial set-up costs and barriers to this. As part of this consultation we are keen to understand the opportunities for new and existing schemes in becoming financially sustainable, as well as the challenges. In assessing bids for the fund, we will want schemes to demonstrate their strategy and plans for achieving financial sustainability. In doing so schemes may choose to explore whether employers in their sector, profession or geography would contribute to the costs of its operation in recognition of the wider benefit it delivers to skills development.

In funding the costs of apprenticeship training for its apprentices, flexi-job apprenticeships must operate in the same way as any other employer. Apprenticeship training must be funded:

- from the scheme's levy funds (if it pays the apprenticeship levy);
- from funds transferred by another levy-paying employer; or

• by reserving funds on the apprenticeship service and contributing the requisite amount of co-investment (currently 5% of the cost of training).

Levy funds may only be used to meet the costs of apprenticeship training.

2.4 Questions

Question 1: Do you agree with our vision for flexi-job apprenticeship schemes?

- Question 2: How should flexi-job apprenticeships demonstrate that they are meeting the needs of employers?
- Question 3: What expectations should we set of flexi-job apprenticeship schemes in providing a high quality experience for apprentices?
- Question 4: What challenges and opportunities are relevant to flexi-job apprenticeship schemes achieving financial sustainability? How might they balance a fee-based model with other income streams?
- Question 5: Does the name flexi-job apprenticeship scheme accurately describe our vision for these organisations and they role they will play? Would you propose any alternative names?
- Question 6: Do you have any views on our proposals for portable apprenticeships, including on how portable apprenticeships and flexi-job apprenticeships schemes can complement each other?

3 Operating framework for flexi-job apprenticeship schemes

3.1 Background

In 2012 all ATAs operating in England were required to apply to become a recognised ATA. These organisations were invited to apply to join a register which aimed to provide assurance that ATAs delivered high quality apprenticeship programmes and operated in accordance with published guidelines. Some of the guidelines were that ATAs were a separate legal entity established to recruit and employ apprentices, that they did not operate any other business functions, that they offered a minimum of 30 hours a week of employment to the apprentice, that they always aim to contribute to a high-quality apprenticeship experience, and that they agree clear terms with all the employers, providers, and apprentices that they work with.

The Register of ATAs closed for new applicants in 2018. Since then new and existing ATAs are operating without any distinct monitoring or oversight arrangements imposed by the ESFA, other than the requirement on all employers to meet the funding conditions set out in their employer agreement and the published Apprenticeship Funding Rules. As employers ATA's must continue to abide by employment law and if they are classed as an employment agency or business, they must also comply with the Employment Agencies Act 1973 and other regulations as set out in the <u>rules for employment agencies and employment business</u>.

3.2 Our vision for an operating framework

If flexi-job apprenticeship schemes are to win the support and confidence of both apprentices and employers, it is vital that we establish an operating framework which sets clear expectations on quality and performance, assures the quality of experience of apprentices and employers, and removes any obstacles that might prevent these schemes from operating successfully.

We propose to close and withdraw the dormant register of ATAs and replace it with a new register of approved flexi-job apprenticeship schemes. All organisations seeking to be recognised as a flexi-job apprenticeship scheme, whether existing ATAs or newly created schemes, must apply to and be accepted onto this register. In doing so we may require these schemes to set out the apprenticeship standards they intend to offer to recruited apprentices. We envisage that entry onto the register would entitle the flexi-job apprenticeships scheme to:

- advertise itself as an approved flexi-job apprenticeships scheme to apprentices and employers; and
- be eligible to access funds for apprenticeship training under a different reservation limit than those which apply to non-levy paying employers in 2021-22.

We propose to invite applications to join the register in July 2021. To be eligible to receive monies from the £7m fund announced by the Chancellor at Budget, an organisation must be successful in applying to join our register of flexi-job apprenticeship schemes. For the future, we will consider whether organisations are able to submit applications to the register at any time, or whether we run application exercises for the register at particular intervals. We will also consider whether schemes should have to apply to alter the terms of

their entry on the register – e.g. if they wish to offer a wider range of apprenticeship standards.

We envisage that the application process will require flexi-job apprenticeship schemes to demonstrate that they meet entry criteria consistent with our vision in section 2 in order to gain admission to the register. We will set out the final conditions and process for applying in July, enabling organisations to submit applications to the register in parallel with an application for funding.

We will also develop a process for monitoring and assuring the compliance of approved flexi-job apprenticeship schemes with the conditions of entry to the register.

3.3 Questions

- Question 7: Do you agree that we should create a register of approved flexi-job apprenticeship schemes?
- Question 8: What entry criteria do you think we should establish for admission to this register in order to ensure that approved flexi-job apprenticeship schemes meet our vision set out in section 2?
- Question 9: How do you think the performance and quality of approved flexi-job apprenticeship schemes should be monitored and assured after admission to the register?
- Question 10: To assure the quality of flexi-job apprenticeship schemes, should schemes entry to the register set out the standards they can offer to apprentices? What process should we develop to enable schemes to change the standards they offer?
- Question 11: Do you have any concerns about the closure and withdrawal of the dormant register of ATAs?

4 £7m fund for flexi-job apprenticeship schemes

The Chancellor announced at Budget that we will launch a £7 million fund in July 2021 to help employers in England set up and expand flexi-job apprenticeship schemes in order to boost apprenticeships in sectors with varied and flexible models of employment.

When the fund opens in July 2021, we will set out the conditions and process for applying. It is our intention to award funding which, over the period of the fund, will facilitate the establishment or growth of flexi-job apprenticeship schemes which will have a significant impact on the use apprenticeships in particular sectors, professions or localities, and which have clear and credible plans for attaining financial sustainability. We anticipate awarding funds in late autumn 2021, with a view to funds being spent across the financial years 2021-22 and 2022-23.

While no decisions have been taken about the size of awards or the number of such schemes we intend to support, we expect to support multiple schemes. The final awards will likely depend upon the number of bids received, the nature and strength of these bids (including how the funds would be used), and whether bids are to establish new schemes or expand existing schemes.

We will set out conditions on the use of the fund in July 2021, but at this stage our intention is that any funds awarded should be used for:

- set up or expansion costs;
- costs for activities that will increase the number of apprenticeships starts;
- costs for activities that will improve and assure quality;
- investment costs that will lead to financial sustainability in the medium to long-term.

We are clear that funding should not be used to pay the wages of apprentices or the costs of apprenticeship training.

4.1 Questions

Question 12: Do you agree with the parameters we have proposed for how any funds awarded should be used?

Question 13: Are there any capital costs that a new or expanding flexi-job apprenticeship scheme might require funding for?

Question 14: Should there be a difference in how new or existing organisations are permitted to use the fund?

Question 15: Should any additional parameters to the fund be added to encourage employer engagement – for example, pledged levy funds or matched co-funding for set up or expansion costs?

Question 16: Do you have any views about the implications of the proposals set out in this consultation on people with protected characteristics, as defined in section 149 of the Equalities Act 2010? What evidence do you have on these matters? Is there anything that could be done to mitigate any impacts identified?

© Crown copyright 2021

This document (not including logos) is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. Where we have identified any third-party copyright information you will need to obtain permission from the copyright holders concerned.

To view this licence:

visit	www.nationalarchives.gov.uk/doc/open-government-licence/version/3
email	psi@nationalarchives.gsi.gov.uk
write to	Information Policy Team, The National Archives, Kew, London, TW9 4DU

About this publication:

enquiries <u>www.education.gov.uk/contactus</u>



Follow us on Twitter: @educationgovuk



Like us on Facebook: <u>facebook.com/educationgovuk</u>